

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 31, 2006

FOSTER CARE AUDITS AND RATES LETTER (FCARL) NO. 2006-01

**TO: ALL GROUP HOME (GH) PROVIDERS
ALL COMMUNITY TREATMENT FACILITY (CTF) PROVIDERS**

**SUBJECT: BIENNIAL GROUP HOME RATE REQUIREMENTS - AID TO FAMILIES
WITH DEPENDENT CHILDREN – FOSTER CARE (AFDC-FC) PROGRAM**

IMPORTANT

FOR THE PURPOSES OF IMPLEMENTATION, THIS FCARL IS BEING SENT AGAIN TO ALL PROVIDERS TO NOTIFY YOU OF THE REQUIREMENTS FOR SUBMISSION OF THIS YEAR'S GROUP HOME RATE APPLICATION. IN THE FUTURE, ONLY THOSE PROVIDERS WHO ARE REQUIRED TO SUBMIT AN APPLICATION WILL BE NOTIFIED OF THE APPLICATION DUE DATES. PLEASE NOTE: IF YOU SUBMITTED AN APPLICATION IN DECEMBER 2005, THIS LETTER DOES NOT APPLY TO YOU.

Please read this entire letter so that you will be aware of the changes to the requirements and rate application forms prior to completing your rate application.

BIENNIAL REGULATIONS NOW EFFECTIVE

The California Department of Social Services (CDSS) adopted emergency regulations for biennial group home rate application requirements effective August 1, 2005, Manual of Policies and Procedures (MPP) Division 11-402.3. The emergency regulations amended the existing policies and procedures to the annual rates system and implemented a biennial system as required by statute. These regulations revised the rate application/request due date and rate effective date, revised the due dates related to "good cause" extensions, revised the penalty provisions for late and incomplete applications, and added definitions necessary for clarity. These regulations were adopted as received by the California Secretary of State on January 12, 2006 and as such are considered final.

In accordance with these regulations, the CDSS has developed the following rate application schedule to implement the biennial submission requirement.

NEW RATE APPLICATION SUBMISSION SCHEDULE

The CDSS has developed a new rate application submission schedule that is based on the non-profit corporation's fiscal year closing date combined with the provider's program number. The MPP defines fiscal year as "any consecutive 12-month period adopted as the annual accounting period." The CDSS has reviewed each program to determine the provider's fiscal year and the program's assigned program number (first four digits of the number). All programs have been divided into odd and even program numbers to link application submission with the actual calendar year. **Note: For those provider's whose program number ends in an odd number with FY ending 12/31, you will be filing in this even year.** Furthermore, provider fiscal year data has been utilized to permit multiple filings throughout a calendar year with providers with similar fiscal years submitting at the same time. Under this new schedule, group home providers will submit their rate application according to the chart below.

Calendar Year	Provider's Program No.	Corporation's Fiscal Year Closing Date	Biennial Application Rate Submission Due Date	Rate Effective Date*
2005	Odd number (Ex. 2005-00-01)	7/1/05 through 12/31/05	April 1, 2006	June 1, 2006
2006	Even number (Ex. 2006-00-01)	1/1/06 through 6/30/06	September 1, 2006	Nov. 1, 2006
2006	Even number (Ex. 2006-00-01)	7/1/06 through 12/31/06	April 1, 2007	June 1, 2007

* The rate effective date is based upon receipt of a complete rate request package. The rate is effective on the first day of the second full month following the rate request due date.

PROVIDERS REQUIRED TO SUBMIT A RATE APPLICATION ON APRIL 1, 2006

The due date of the rate application is April 1, 2006. The CDSS has compiled a list of those providers whom we have identified as meeting this criteria (PLEASE SEE ENCLOSED LIST OF PROVIDERS.) However, just in case some providers may have recently changed their fiscal year, if a provider meets the criteria above you will still be required to submit a rate application even though you are not on the enclosed submission list. Please notify your rates analyst if you are not on the list but have changed your corporation's fiscal year such that your application is due on April 1, 2006.

Please note: If we receive an application from a provider who is not required to submit an application we will not process the application and will shred all documents to protect confidentiality.

COMPLETE RATE APPLICATION

A complete rate application must be submitted for each group home and Community Treatment Facility (CTF) program in operation. A complete rate application is one that contains all the required documents necessary to set the rate. Forms have changed to reflect submission of information for a biennial reporting period. This means that data is required for the corporation's prior two fiscal years. Please refer to the regulations and the instructions on the reverse side of each group home form when preparing the rate application. The instructions will assist you in completing the rate application package correctly. **Commencing immediately, the documents listed below are required for a complete group home program rate application.**

1. A complete set of SR forms

- Group Home Program Rate Application (SR 1) with original signature (Front and Back)
- Program Classification Report (SR 2) – **Two separate SR 2's are required for the providers previous two reporting periods.** Use actual data, do not average or estimate. On Line 16 for fiscal year (FY) 2004, **leave blank.** On Line 16 for FY 2005, project your average points and RCL for your next reporting period which will be FYs 2006 and 2007. New providers who began operating in 2004 or 2005 must report actual data from the date of first placement through December 31, 2004 or 2005. New providers who had a rate established in 2004 or 2005, but had no placements in those calendar years must project points.
- Group Home Program Days of Care Schedule (SR 5) – **Two separate SR 5's are required;** one for FY 2004 and one for FY 2005. Use actual data do not average or estimate.

Note: The Group Home Cost Report (SR 3) and Group Home Payroll & Fringe Benefit Report (SR 4) are no longer required as part of a complete rate application. However, these forms are still required in order to receive a rate and must now be submitted with the financial audit report (FAR).

2. A copy of the current Community Care Licensing (CCL) license for each facility, including a provisional license issued to a new provider, if not previously submitted.
3. A copy of the Group Home Administrator Certificate issued by CCL for the program's administrator or if not available, proof of submittal of processing fee and training certificate to CCL.
4. The organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board (CFTB) designating the organization as

tax exempt; if any changes have occurred since submission of the last tax exempt status letter.

5. An endorsed copy of the group home organization's Articles of Incorporation filed with the California Secretary of State (SOS), if any changes have occurred since submission of the last Articles of Incorporation, demonstrating the organization:
 - Operates in the public interest for scientific, education, service or charitable purposes;
 - Is not organized for profit making purposes; and
 - Uses its net proceeds to maintain, improve or expand its operations.
6. A copy of any initial or amended Statement of Information filed with the California SOS. In addition, providers must maintain an active status with SOS to continue to be eligible for AFDC-FC funds. You may check your status on the SOS website at: <http://Kepler.ss.ca.gov/list.html>.
7. A complete listing of the corporation's Board of Directors to include full names, titles, mailing addresses and phone numbers.
8. A declaration signed by the Board of Directors that the program will operate during the biennial rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit-making purposes; and, uses its net proceeds to maintain, improve or expand its operations.

Please note: A group home provider is to immediately notify the Department if the group home ceases to operate on a nonprofit basis, becomes inactive, suspended, or otherwise is not in good standing with the California SOS.

9. A training plan for the corporation's next two fiscal years for each program for which the additional .10 weighting is claimed for child care workers and supervisors. (See MPP Section 11-402.221(e) for the training plan requirements.) If the training weighting will not be claimed during the biennial rate period, a statement to that effect must be included with the rate application.
10. A certification by the provider that all information contained in the program statement previously submitted remains current with no changes (this can be documented on the SR 1 under "certifications"); or

If the previously submitted program statement no longer reflects the provider's current program, the provider must submit an updated version of the program statement or addendum to the Department.

11. A copy of the current lease(s) or rental agreement(s) if not previously submitted.

12. A Self-Dealing Transaction Declaration (FCR 16) signed by the group home's Board of Directors that during the biennial rate period the organization will not incur shelter costs resulting from a self-dealing transaction as defined in California Corporations Code Section 5233.
13. In addition to the documentation listed above, programs classified at Rate Classification Level (RCL) 13 or 14 must also submit:
 - a. A written statement that the program will accept only children assessed/qualified for placement during the biennial rate period as required in MPP Section 11-402.181(b). The statement must be dated and include an original signature of the same individual whose signature appears on the SR 1.
 - b. A statement, accompanied by appropriate documentation, that the requirements of Section 11-402.181(c) regarding the program certification have been met.

If all the required documents previously listed have been received, but additional information is needed, the rate request will be considered complete if the remaining documents are postmarked within 30 days after notification received by the Department.

Providers with internet access can obtain the revised SR forms online at the following address: www.dss.cahwnet.gov/cdssweb/On-lineFor_271.htm. Providers without internet access can obtain a copy of the SR forms by contacting the Foster Care Rates Bureau (FCRB). If using SR forms other than those available via the internet, please ensure you are using the most current form revision (see MPP Section 11-406).

GOOD CAUSE REQUESTS

A provider who is unable to submit a complete rate application by the due date (indicated on the chart on page 2) because of circumstances beyond the provider's control, may submit a "good cause" request to extend the due date. Typical circumstances that constitute good cause include, but are not limited to, natural disasters and emergency medical situations [MPP 11-400g(1)].

The procedures for submitting a good cause request are contained in MPP Section 11-402.371. **A good cause request must be submitted by a provider to the FCRB separately from the rate application and must be postmarked no later than five calendar days following the rate application due date.** The good cause request must contain a clear statement requesting good cause and include the specific reasons(s) for submitting an incomplete or untimely rate application. The written request for good cause should also include the name, location, and program number of the affected program; the name, address and telephone number of the provider; and, the name,

address and telephone number of the contact person. Please be aware that when the Department approves a request for good cause, a complete application is due within 30 days of the postmark of the Department's approval notification or 30 days after the original application due date, whichever is later.

Additionally, for those providers whose request for good cause is approved, complete applications submitted in accordance with the above paragraph will have an effective date of the rate as identified in MPP 11-402.34. However, applications that are incomplete or are not submitted in accordance with above paragraph can be subject to penalties as described in MPP 11-402.38.

Please also be aware that good cause requests should not be submitted and/or signed by a certified public accountant (CPA), state-licensed public accountant (PA) or consultant as it is the provider's responsibility to manage the operation of the program, be aware of all business transactions impacting the program, and to make good cause requests on behalf of the program.

TIMELINES AND PENALTIES

The timelines and penalties for late and incomplete applications contained in MPP Section 11-402.38 have changed as a result of the biennial rate application process and are as follows:

- Applications not submitted on or before the due date and applications that are incomplete are considered late applications.
- The rates for late applications are subject to a monetary penalty equal to three (3) percent of the rate.
- The rate is subject to the penalty for the number of months the application was late, beginning on either the rate effective date or the date the rate is reinstated if terminated.
- The rate is subject to termination if the complete application is not received on or before the rate effective date.

Example: Application is due April 1 and the rate is effective June 1: if the application is late but completed in April, the rate is penalized for one month in the month of June.

Example: Application is due April 1 and the rate is effective June 1: if the application is late but completed in May, the rate is penalized for two months in the months of June and July.

Example: Application is due April 1 and the rate is effective June 1: if the application is not completed by June 1, the group home program will be subject to the rate termination process as specified in MPP Section 11-402.393 for failure to submit a complete rate application prior to the rate effective date. Once reinstated, the rate is penalized for the number of months late beginning in the month reinstated.

A program rate which has been terminated for failure to submit a timely or complete rate application can be reinstated by meeting the requirements of MPP Section 11-402.45. The new rate will be set based on the current rate for the RCL in which the program is reinstated in accordance with MPP 11-402.3.

If a private consultant or CPA completes and/or mails a rate application on behalf of a provider, responsibility for the content of the documents filed and the date of filing remains with the provider. A private consultant's/CPA's failure to submit a timely application will not excuse untimely submission of a complete rate application and may result in a penalty.

A complete copy of the regulations is online at the following websites:

<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanb.pdf>
<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanc.pdf>

WHERE TO SEND APPLICATIONS

A complete rate application should be mailed to:

**California Department of Social Services
Foster Care Audits and Rates Branch
Foster Care Rates Bureau
744 P Street, M.S. 9-74
Sacramento, CA 95814**

If you have any questions about the rate application process or forms, please contact your Foster Care Rates Consultant at (916) 651-9152.

Sincerely,

GLENN FREITAS, Chief
Foster Care Audits and Rates Branch

Enclosure

GH PROVIDERS REQUIRED TO SUBMIT RATE APPLICATION BY APRIL 1, 2006

2nd Home	1661	Elite Family Systems - Baker Home	1919
3 R's Group Home	2049	Ellingberg And Ellison/U-Turn House	2011
A & A Foundation For Children	2021	Emerald House / Emerald Foundation	1413
Aaron's Boys Home	0923	Environmental Alternatives	0239
Above The Line - Gh Society	1863	Equinox Youth & Family Services	0201
Acts Of Kindness, Inc.	1867	Fields Group Home - Fields Comprehensive	1723
Adelphous House	2019	First Step	1609
Adolescent Treatment/Thunder Road	0729	Five Acres	0339
Advent Group Ministries	0179	Fred Jefferson Memorial Home	1017
Agape Group Homes	2083	Fresno Unity Group Home	1095
Aldea/Horizon House	0307	Fresno Youth Advocates - Friends Home	1141
Allens' Teen Care	0959	Fresno Youth Care - Wathen House	1923
Allman Group Home	2113	Fresno Youth Connect/Youth Transition 1	2059
Angel Of Mercy Home	1871	Full Circle	0349
Angel's Care, Inc./Angel's Care-Boys	2149	Gale Kuns Ministries/Grace Homes	1145
Associated Res Serv - Ars Group Home I	1907	Glass/Gay & Lesbian Adol. Soc. Serv.	0369
Atlantica Adolescent Dev Center	2137	Greenhouse Children's Project Inc., The	2061
B & I Group Home	1751	Guiding Light	1869
Basic Life Institute/Boys 2 Men	1539	Guiding Our Youth	2111
Bay Area Alliance For Yth & Family Svc	1969	Hanna's House	1057
Bay Area Youth Center	0231	Harbor Youth Facility	2127
Berhe Group Home	1189	Hathaway-Sycamores Cfs/Residential Care	0221
Best Care Group Home For Children	1355	Henry's Adolescent Treatment Center	2103
Blessings In Disguise	2077	Hillview Acres	0321
Bridges Intervent. Serv/Hs. Of Bridges	2139	Hope For Youth	2043
California Anchor Residents/C.A.R.#1	2091	Hope Four You Two	1517
California Autism Fdtn/A Better Chance	1967	Hughes Boys Center	1917
California Family Life Center	0731	Human Services Network	0603
Camry Gh/Lachelle & Selena	1177	Humanistic Ffa/A Family Affair Grouphome	1729
Canyon Acres Res. Trtmnt. - Intermed	0311	Hv Group Home Inc.	1853
Canyon Acres Resid. Treatment Ctr	0311	I C Change	1197
Careprovider Children & Family Sers	2065	Imperial Family Home	1029
Caring For Babies With Aids	1225	Ingrid Residential Care Facility	0987
Carpenter's House	2133	Inland Empire Residential Centers	0699
Castile Group Home	1147	Integrity Group Homes, Inc.	2185
Center For Positive Changes I & II	1809	Jean Loes Group Home	1185
Center For Positive Changes-First Step	1809	Jr's North Star, Inc.	1451
Central Coast Youth Foundation	1647	Jt Resid. Care Facilities/Taylor Grp Hm	1697
Charis Youth Ctr/Cedar Ridge House	0855	Jurupa Residential Care Home	1763
Chastella Inc/Stella Maris Growth Ctr	1677	K.C. Family Care, Inc.	1831
Cherry Tree Youth Facility	1939	Kairos Unlimited	0467
Child Focus/Teen Focus	1075	Kare Crisis Nursery	2121
Children Are Our Future/Prof.Care	0689	Kids To Kids / Restoration House	2195
Children's Learning Center	0773	K-Nita's Group Home	0847
Children's Treatment Center	0267	Knotts Group Home	1257
Circle Of Friends	1589	Kommon Ground/Decisions	0925
City Youth Home Facilities	1999	Kozikove Group Home	1761
Clardy's New Directions	0789	Leading The Right Path	2155
Community Youth Sports/Arts Found	0883	Leroy Boys Home	0175
Core Conditions, Inc./Cci-Dakota	2151	Little People's World - Infant Toddler	0435
Country House	1237	Living Advantage, Inc.	1629
Country House	1237	Lodgemakers Of Ca/Fred D Jones Youth Ctr	2071
Courage To Change	1767	Lunaire Blonze Homes	2177
Cypress Group Home/Care Home	2067	Luvlee's Residential - Tro-Ra	0875
Dangerfield Group Home/Infant Care	0809	M & R Group Home	1547
Delia's Home Care	2087	M & S Group Home DbA Mccray East Sierra	2163
Delores Youth Facility	1759	Macro Homes	1007
Develop Svcs. Continuum-Buena Vly	0805	Main Path Group Home, Inc.	1857
Dream Home Care	1621	Mary's Shelter Dependent/Vol Programs	1557
Drice House	1321	Maryvale	0337
Dynasty Group Home, Inc.	1819	Mathiot Group Home	0709
Dyra For Kids	2143	Men Of Promise/Promise Homes	2037
Eagle Eye	1121	Mh&O Family Home, Inc./Reg Ctr	2095
East Palo Alto Teen Home	1603	Michigan House	1227
Ee's Residential Group Homes	0487	Millie's Youth Services	1899
Eggleston Youth Center	0359	Moore's Cottage	0679

GH PROVIDERS REQUIRED TO SUBMIT RATE APPLICATION BY APRIL 1, 2006

Moore's Metamorphosis, Inc.	1825	Success In Recovery	1745
Moss Beach - Excell	0115	Sullivan's Group Home	1625
Murphy's Boy's Group Home	1715	Summerbreez Youth Home For Boys	2147
New Alternatives (C)(D)(E)(F)(G)/Sn Pasqual	0159	Summerplace, Inc.	0979
New Directions Group Home	1509	Summit Development Group, Inc.	2081
New Haven Home/Vista Boys	0313	Sustayne Network	1973
New Horizons Group Homes	1947	Sweeney Youth Homes	1585
New Outlook Boys Home	1259	Sydia Group Home (Aka New Horizon Gh)	1129
New Start Youth Facility	2057	T & T House	1935
Newstart Gh/Vino House	1997	Tahoe Turning Point	0519
Nob Hill Group Home For Children	2153	Taking The Next Step	2125
Oak Grove Institute	1101	Teen's Happy Homes	1389
Oakendell Group Home	0247	Tender Loving Care Gh	1665
Open Arms Group Home, Inc.	2183	Tender Loving Care Hfb - Corinthians Hh	1915
Open Arms Men's Center	1977	Terra Manor	1773
Open Line Group Home/Project Alert Youth	1929	The Growing Tree Foundation & Academy I	1727
Orange County Children's Fndn	1559	The House Of Bethesda	1523
Orange County Mentors For Youth	1931	The House Of Biggs	1669
Orpilla's Morro Hills Home	2123	The Lighthouse Mentoring Center	1865
Outreach Youth Center li	1387	Thessalonika/Rancho Campus	0491
Ozuor, Olds And Assc.-ljeoma House	2035	Thomas Group Home	1501
Pacific Havens	1835	Tlc Children's Center Inc.	1849
Pacific Lodge Boys' Home	0217	Tlc Children's Ctr/Hope House	1849
Pacific West Violence Prev/Ghandi House	1989	Touch A Life - Wade's Group Home	0409
Paragon Center, Inc.	2069	Treat'em Like A King	1673
Paragon Group Home	2027	Turmont Home For Boys	1059
Pathway Group Home	2015	Unicorn Garden, Inc.	1375
Perfect Image Youth Center	2109	Unicorn Youth Services	0301
Phifer Adolescent Trtmt/Kasey's Place	1933	United Collection Group Home	2075
Pioneer Boys Ranch	0365	Unity Group Home	2047
Pizazz Group Home	2187	Universal Fountain/Kids Of The Kingdom	1279
Plan-It Life	2031	Upward Bound	1975
Positive Changes Gh/Emanicipation	2025	Ve And Daughters Happy Home	2017
Progress Ranch Treatment Homes	0167	Washington Hancock Home	0305
Progressive Group Homes	2085	Wesley Youth Homes	1717
Progressive Re-Education Center	2157	Wilderness Recovery Center	1253
Project Destiny, Inc.	2173	Wrights Adolescent Development Center	1153
Promise Youth Facility/Brown & Ward Corp	2145	Yellow Brick Homes For Children	1765
Pyramid Youth Development Center, The	2219	Young Ideas Home	1709
Quality Group Homes	0351	Young Life Enrichment	1061
Quality Group Homes	0351	Youth For Change	1325
Quality Group Homes	0351	Youth Resilience, Inc./Hillcrest Home	2217
Quest For Success	2101		
R House, Inc.	0323		
Rainbow Valley Group Home	1205		
Raising The Quality Of Life	2041		
Redeemer Home	2053		
Rite Of Passage - Sierra Ridge	1163		
Rites Of Passage Residential Center	1553		
Riverstones Residential Services, Inc.	1823		
Rolling Hills Group Home	0877		
S & C Group Home I	2045		
Samaria Youth Facility	2207		
Schull's Turning Point	1577		
Serenity Group Homes	2009		
Serenity Home	1859		
Seven Fold, Inc/A Servant's Heart Youth	2181		
Sherman Group Home, The	1407		
Sherman's Hilltop I & li	0719		
South Bay Bright Future Ydc	0451		
St. Annes Teen Mother & Prenatal	0113		
St. Johns Youth Guidance Corporation	2131		
St. Paul Group Home	1241		
Stephenson/Brown Childrens Home	1889		
Stockton Foundation Group Homes	1953		
Street Academy Residential Care	1599		

Please note: if your program number ends in an odd number and your fiscal year's closing date is between 7/01/05-12/31/05 and your group home does not appear on this list, you are still required to submit an application by 04/01/05